

Remarks

The Office Action mailed November 3, 2006 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-25, 27-56, 58-89 and 119-122 are now pending in this application. Claims 1-118 stand rejected. Claims 26, 57, and 90-118 have been cancelled. Claims 119-122 are newly added. No fee calculation sheet is needed for the newly added claims. No new matter has been added.

The rejection of Claims 16-18, 24, and 31 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is respectfully traversed.

The Office Action asserts that dependent Claims 16-18, depending from independent Claim 1, are directed to non-statutory subject matter because the “result of the invention is not considered to be concrete”. Specifically, the Office Action asserts that “[b]ecause all of the variables used to calculate the QFD score are disclosed as being determined by people, the result of the invention is not considered to be concrete (i.e., it is not capable of being repeated to arrive at a particular result).” Applicants respectfully traverse this assertion. Applicants respectfully submit that the mere fact that certain variables used to calculate a score may be measured by a person, such as an experienced risk assessor, does not mean that the score is non-repeatable or that the invention fails to produce a concrete result.

Specifically, Claim 16 recites “assessing business routines and controls to ensure compliance with each policy . . . and determining a quality function deployment (QFD) score.” Claim 17 recites that the QFD score is determined by multiplying “process strength rating” and “severity rating”. The specification clearly describes how the “process strength rating” and “severity rating” are valued and how the QFD score is calculated. For example, the originally filed specification provides as follows:

In addition, risks are prioritized. Resources used to prioritize risk may include functional leaders, compliance leaders, compliance experts, policy owners, a management team, and legal counsel. Risk prioritization is used to assess the compliance risk, relating the risk to processes, products and environments and identifying and prioritizing the highest risk(s). Prioritization of the risk(s) is

performed by mapping a high-level risk model and compiling a list of compliance requirements. Next, the list of compliance requirements is prioritized and construction of a quality function deployment (QFD) matrix is started using system 10. A severity rating for non-compliance with the requirements is entered by a designee of the resource team listed above, and the compliance policies are assessed and valuated. Finally, the immediate risks are identified, construction of the QFD matrix is completed and the compliance risk areas are prioritized. (Para. 0068.)

The severity rating for non-compliance of each compliance requirement is entered into risk QFD matrix 180. The severity rating may be any known severity rating. In one specific embodiment, the numerical value that is entered into risk QFD matrix 180 is entered into a top row 182 labeled "SEVERITY." The numerical value is based upon the damage to reputation and/or financial scores. In the one specific embodiment, a value of ten signifies damage to the reputation of the company or financial impact affecting more than ten percent of net income. A value of five signifies damage to the reputation to the business or financial impact affecting more than five percent but less than ten percent of net income. A value of one means damage to the reputation to the business region or financial impact affecting less than five percent of net income. A value of zero denotes no damage to reputation or any financial impact. Alternatively, different weighting formulas can be used. (Para. 0075.)

Further, the process strength of a business routines and controls is assessed to ensure compliance with each policy. In one specific embodiment, the assessment is accomplished by rating, or quantifying, the strength of the compliance routines and controls to ensure compliance with the policy. The process strength rating may be accomplished by any known rating system. In one specific embodiment, a score of ten means that there is no process or no level of policy awareness. A score of seven indicates an inconsistent process, no documentation or sporadic, ad hoc generic training. A score of three means that there is no enforced process, limited enforced process or no regular specific training. A score of zero means that there is no interaction or no process is necessary. This score is used to calculate a QFD score for quantifying the results. (Para. 0076.)

The score is then entered into risk QFD matrix 180. Figure 13 illustrates one embodiment of a completed risk QFD matrix 190 including a QFD score 192. The QFD score 192 may be calculated by any known method. In one specific embodiment, server 12 is configured to calculate the QFD score as:

severity rating \times process strength rating.

The QFD score 192 is entered for each policy compliance area 152. The QFD score 192 is also used for identifying the immediate risks to the business. The higher the QFD score 192, the more immediate the risk to the business. (Paras. 0077-0079.)

Applicants therefore respectfully submit that the originally filed specification clearly describes how the variables “process strength rating” and “severity rating” are valued. Moreover, the originally filed specification clearly describes how the QFD score is calculated. Accordingly, Applicants respectfully submit that the claimed invention is directed to statutory subject matter because the present invention as claimed produces a useful, concrete, and tangible result. The mere fact that certain variables used to calculate a score may be measured by a person, such as an experienced risk assessor, does not mean that the invention as claimed produced a result that is not concrete. Therefore, Applicants submit that dependent Claims 16-18 are patentable.

The Office Action further asserts that dependent Claim 24, depending indirectly from independent Claim 1, is non-statutory. Specifically, the Office Action asserts that the risk prioritization number (RPN) is calculated using variables that are determined by people, and therefore, the invention as claimed fails to produce a concrete result. Applicants respectfully traverse this assertion. As stated above, Applicants respectfully submit that the mere fact that certain variables used to calculate a score may be measured by a person, such as an experienced risk assessor, does not mean that the score is non-repeatable or that the invention fails to produce a concrete result.

The originally filed specification clearly describes that the RPN is calculated by multiplying “severity rating” and “occurrence rating” and “detection rating”. Moreover, the originally filed specification clearly describes how these variables are valued. Accordingly, Applicants respectfully submit that the claimed invention is directed to statutory subject matter because the present invention as claimed produces a useful, concrete, and tangible result. The mere fact that certain variables used to calculate a score may be measured by a person, such as an experienced risk assessor, does not mean that the invention as claimed produced a result that is not concrete. Therefore, for the reasons set forth above, Applicants submit that dependent Claim 24 is patentable.

The Office Action further asserts that Claim 31 is a mixture of two distinct statutory classes of invention. Applicants traverse this assertion. However, Applicants have amended independent Claim 31, and Applicants submit that Claim 31 is directed to an apparatus.

For at least the reasons set forth above, Applicants respectfully request that the Section 101 rejection of Claims 16-18, 24, and 31 be withdrawn.

The rejection of Claims 31-89 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement is respectfully traversed.

The Office Action asserts that Claims 31-89 are rejected as failing to comply with the enablement requirement. Applicants respectfully traverse this assertion and respectfully submit that the originally filed specification, including the Figures, would enable one skilled in the art to make and/or use the invention as described in the present patent application.

The Office Action asserts that Claims 31-89 fail to comply with the enablement requirement. More specifically, the Office Action asserts that “one of skill in the art would not be able to make the server do what is claimed” and that “[o]ne of skill in the art would not be able to figure out how to get the server to prioritize the risks because this depends on what the business sees as the most risky based on any known consequences that may happen if the risk materializes.” Applicants traverse these assertions.

Applicants respectfully submit that the originally filed specification satisfies the enable requirement of Section 112, first paragraph. More specifically, Applicants submit that one skilled in the art, after reading the originally filed specification and reviewing the figures, would understand how the server is able to prioritize compliance risks for a business, identify potential failure modes with causes and effects, and recommend risk monitoring and control mechanisms. For example, the originally filed specification provides in relevant part as follows:

Server 12 is configured to assess compliance, prioritize risk, benchmark existing programs, identify improvement opportunities, and identify potential best practices as part of a compliance program. A user interface allows a user to input data relating to the identification and quantification of a company's compliance process and to receive identification and quantification of compliance output. A computer-based compliance identification and quantification tool, as described below in more detail, is stored in server computer 12 and can be accessed by a requester at any one of computers 14. (Emphasis added.) (Para. 0048.)

Assessment of a compliance program is used to benchmark existing programs, identify improvement opportunities and identify potential best practices.

Referring to Figure 3, a flowchart 70 for process steps executed in assessing at least one compliance program is shown. *More specifically, server 12 (shown in Figures 1 and 2) is configured to facilitate steps described in Figure 3.* First, a cross-functional team is assembled 72 to determine what constitutes compliance. The cross-functional team may have members from all functional areas of a business having knowledge of compliance policies and how they relate to their function area. *The cross-functional team is assembled 72 using a knowledge base which is stored on server 12 and may include any information relevant to the assembly 72 of a cross-functional team.* (Emphasis added.) (Para. 0056.)

In one embodiment, *server 12 is configured to use the knowledge base to determine what constitutes an affirmative answer to a question in the questionnaire.* Compliance is largely dependent upon the particular circumstances of each business. Accordingly, *the knowledge base may include, for example, information from compliance leaders and information relevant to each business and for each environment.* The knowledge base may also include standards for minimum program qualities and the level of documentation required for proof in answering the question which sets a standard used as a guide through the interviews with process owners. (Emphasis added.) (Para. 0058.)

System 10 outputs 98 at least one of a completed questionnaire, a summary of current status, improvement opportunities, action plans and potential best practices, program summary and policy summary. (Para. 0061.)

Server 12 (shown in Figures 1 and 2) summarizes the results of the assessment of the compliance program by automatically converting questionnaire metrics chart 130 (shown in Figure 7) to a compliance program assessment summary chart when instructed to do so by a functional or compliance leader. One embodiment of a compliance program assessment summary chart 140 is shown in Figure 8. The program assessment summary 140 includes, for example, *the percent of compliance 132 by compliance assessment area 124, progress since the last review, focus areas for the next review and a comparison of criteria based on business risk and environment.* (Emphasis added.) (Para. 0066.)

Server 12 is further configured to respond to a request to summarize the assessment results of the compliance program by converting questionnaire metrics chart 130 (shown in Figure 7) to a policy assessment summary. One embodiment of a policy assessment summary chart 150 is shown in Figure 9. Policy assessment summary chart 150 includes, for example, *the percent of compliance 132 by policy assessment area 152.* (Emphasis added.) (Para. 0067.)

In addition, risks are prioritized. Resources used to prioritize risk may include functional leaders, compliance leaders, compliance experts, policy owners, a management team, and legal counsel. Risk prioritization is used to assess the compliance risk, relating the risk to processes, products and environments and identifying and prioritizing the highest risk(s). *Prioritization of the risk(s) is*

performed by mapping a high-level risk model and compiling a list of compliance requirements. Next, the list of compliance requirements is prioritized and construction of a quality function deployment (QFD) matrix is started using system 10. A severity rating for non-compliance with the requirements is entered by a designee of the resource team listed above, and the compliance policies are assessed and valuated. Finally, the immediate risks are identified, construction of the QFD matrix is completed and the compliance risk areas are prioritized. (Emphasis added.) (Para. 0068.)

Using the QFD matrix and the prioritized risk areas, the resource team maps a high level business risk model which includes the steps of identifying the business core processes and products such as marketing or billing and collecting, brainstorming the business risks associated with those core processes and products, and associating the business risks with the corresponding compliance requirements and risks....(Emphasis added.) (Para. 0069.)

Subsequently, a list of compliance requirements is compiled and prioritized by the resource team. *The list of compliance requirements is compiled and prioritized by using and adding to database 18 stored on server 12 (shown in Figures 1 and 2). Database 18 includes, for example, the core compliance areas within the business' declared policies and procedures (referred to as the business Spirit and Letter), regulatory and legal requirements of the business, contractual and internal policy requirements, and compliance risks noted in business risk model 160 (shown in Figure 10). As described above, the list of compliance requirements also is prioritized. In an exemplary embodiment, the list of compliance requirements is prioritized by the resource team based on the severity rating of non-compliance. Severity ratings are generated using stored and newly added knowledge base information relevant to severity. The knowledge base includes information relating to how a compliance expert, in a worst case scenario situation, would rate damage to the business reputation and/or the financial impact to a business. The knowledge base may be specific to individual business processes and products. For example, when a business reputation is damaged, the severity rating of non-compliance is high when it has a company impact, medium when it has a division impact and low when it has only a regional impact. The list of compliance requirements is organized in accordance with a severity matrix format. Accordingly, in one specific embodiment, the financial impact of non-compliance is rated high when there is an impact greater than ten percent of net income, medium when the impact is greater than five percent, but less than ten percent, of net income, and low when it has an impact affecting less than five percent of net income. Alternatively, different weighting formulas can be used. (Emphasis added.) (Para. 0072.)*

Applicants respectfully submit that the present invention is fully enabled by the originally filed specification. By way of example, Applicants have provided the above section of the originally filed specification as support for this enablement. However, Applicants respectfully

submit that they could provide numerous other sections of the originally filed specification that provide further support for the enablement of the present invention.

Specifically, Applicants respectfully submit that originally filed specification clearly describes a knowledge base that is gathered and stored within the database. The database is coupled to the server. The server is configured to access and utilize the knowledge base in combination with additional information that is inputted into the server through a user interface so that the server is able to assess compliance, prioritize risk, benchmark existing programs, identify improvement opportunities, and identify potential best practices as part of a compliance program.

Accordingly, Applicants respectfully submit that the originally filed specification, which includes the Figures, would enable one of ordinary skill in the art to make and/or use the invention. Therefore, Applicants submit that Claims 31-89 are fully enabled and patentable. Accordingly, Applicants respectfully request that the rejection of Claims 31-89 under Section 112, first paragraph, be withdrawn.

For the reasons set forth above, Applicants respectfully request that the rejection of Claims 31-89 under Section 112, first paragraph, be withdrawn.

The rejection of Claims 2, 5, 6, 8, 11, 21, 23, 26, 29, 31-62, and 70 under 35 U.S.C. § 112, second paragraph, is respectfully traversed.

Applicants respectfully submit that Claims 2, 5, 6, 8, 11, 21, 23, 26, 29, 31-62, and 70 satisfy section 112, second paragraph. Specifically, Applicants respectfully submit that Claims 2, 5, 6, 8, 11, 21, 23, 26, 29, 31-62, and 70 are definite and particularly point out and distinctly claim the subject matter of the invention.

Claims 2, 8, 32, and 34 have been amended such that the recitation of “identifying and interviewing process owners for the questionnaire answers” is further defined, and Applicants respectfully submit that amended Claims 2, 8, 32, and 34 are definite and not contradictory.

Based on the amendments to independent Claim 1, Applicants respectfully submit that amended Claim 50 is definite.

Claim 5 has been amended to address the Examiner's concerns. Applicants respectfully submit that Claim 5 is definite.

Claim 6 has been amended to address the Examiner's concerns. Applicants respectfully submit that Claim 6 is definite.

Claims 11 and 39 have been amended to address the Examiner's concerns. Applicants respectfully submit that Claims 11 and 39 are definite.

Claims 21, 51, and 52 have been amended to address the Examiner's concerns, and Applicants respectfully submit that Claims 21, 51, and 52 are definite.

Claim 23 has been amended to address the Examiner's concerns. Applicants respectfully submit that Claim 23, as amended, has proper antecedent basis.

Claims 26 and 57 have been amended to address the Examiner's concerns, and Applicants respectfully submit that Claims 26 and 57 are definite.

The Examiner states in the Office Action that Claims 29 and 59 are indefinite, because one wishing to avoid infringement would not know what a "policy dashboard" is. Applicants respectfully submit that one skilled in the art would know that a dashboard, in computer technology, is a unified display of multiple components. In this case, a policy dashboard is a unified display of the actions items list. Applicants respectfully submit that Claims 29 and 59 are definite.

Claim 31 has been amended to address the Examiner's concerns, and Applicants respectfully submit that Claim 31 is definite. Claims 32-56 and 58-62 depend from independent Claim 31 which is submitted to be definite. When the recitations of Claims 32-56 and 58-62 are considered in combination with the recitations of Claim 31, Applicants submit that dependent Claims 32-56 and 58-62 are also definite.

Claim 70 has been amended to address the Examiner's concerns. Applicants respectfully submit that Claim 70, as amended, has proper antecedent basis.

For at least the reasons set forth above, Applicants respectfully request that the rejection of Claims 2, 5, 6, 8, 11, 21, 23, 26, 29, 31-62, and 70 under 35 U.S.C. § 112, second paragraph, be withdrawn.

The rejection of Claims 1-16, 18-23, 25-45, 47-53, and 55-89 under 35 U.S.C. § 103(a) as being unpatentable over Fetherston (U.S. Publication No. 2002/0120642) is respectfully traversed.

Applicants respectfully submit that Fetherston does not describe or suggest the claimed invention. As discussed below, at least one of the differences between Fetherston and the present invention is that Fetherston does not describe or suggest a method for conducting a compliance risk assessment and mitigation process that includes identifying, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes. Moreover, Applicants submit that Fetherston does not describe or suggest storing the risks, the risk priority, the failure modes, the causes and effects of the failure modes, the current controls in place, and the detection ratings in the database.

Furthermore, Applicants submit that Fetherston does not describe or suggest a method including calculating a risk prioritization number (RPN) for each compliance risk identified, and implementing risk monitoring and control mechanisms to mitigate compliance risks based on the calculated RPNs including recommending actions to be implemented to reduce the calculated RPNs.

Fetherston describes a system for assisting an organization to implement and maintain compliance management programs. The system includes a plurality of modules relating to particular compliance obligations. Specifically, the system includes a master database containing information on the compliance obligations, a slave database containing information and activities (i.e. incidents or accidents) in the organization and assessments of the organization, and report generating means for generating a report on actions required to render the organization compliant with the obligations in the master database. More specifically, the master database includes input/output devices where a user may access a plurality of modules wherein

each module is related to a particular piece of legislation, and the module is presented to the user on a display device. The display device also includes a plurality of sub-modules such as text documents that are stored in a storage unit and memory for display on a display unit when selected by the user. The user may select a sub-module that displays a risk assessment form permitting the user to enter and store data in the slave database information about hazards in an organization such as an accident. The sub-module forces the user to follow a process and pattern of data entry into the various risk assessment forms. Once the data is entered by the user, the data is stored in the slave database. Fetherston also describes a risk assessment means that compares data in the slave database to compliance criteria from the master database. Specifically, the risk assessment means determines a numerical priority or risk assessment rating as the product of severity and frequency. A rating that exceeds a certain rating is brought to the attention of the user. Moreover, Fetherston describes that reports detailing particular hazards may be produced.

Claim 1 recites a method for conducting a consistent, documented and yet repeatable compliance risk assessment and mitigation process, using a network-based system including a server system coupled to a centralized database and at least one client system, the method includes "storing in the database compliance information including at least one questionnaire relating to compliance, compliance requirements for each functional area within a business, and persons responsible for compliance within each functional area within the business . . . displaying a questionnaire on a client system associated with a person responsible for compliance with at least one functional area within the business, the questionnaire is transmitted from the server system to the client system of the compliance person and is generated using the compliance information stored within the database . . . receiving at the server a response inputted by the compliance person to the displayed questionnaire . . . processing the response to the displayed questionnaire at the server . . . prioritizing compliance risks for the business including identifying compliance risks for each functional area within the business, and prioritizing the compliance risks from high to low based on a severity rating of non-compliance . . . identifying, for each compliance risk identified, potential compliance failure modes potential causes and effects of such compliance failure modes, *current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes . . .* storing the risks, the risk priority, the failure modes the

causes and effects of the failure modes, the current controls in place, and the detection ratings in the database . . . calculating a risk prioritization number (RPN) for each compliance risk identified based on the data stored in the database, wherein the RPN represents a relative compliance risk of a particular failure mode . . . implementing risk monitoring and control mechanisms to mitigate compliance risks based on the calculated RPNs *including recommending actions to be implemented to reduce the calculated RPNs.*” (Emphasis added.)

Fetherston does not describe or suggest a method as recited in Claim 1. More specifically, Fetherston does not describe or suggest a method for conducting a compliance risk assessment and mitigation process that includes identifying, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes. Moreover, Applicants submit that Fetherston does not describe or suggest storing the risks, the risk priority, the failure modes, the causes and effects of the failure modes, the current controls in place, and the detection ratings in the database.

Furthermore, Applicants submit that Fetherston does not describe or suggest a method including calculating a risk prioritization number (RPN) for each compliance risk identified, and implementing risk monitoring and control mechanisms to mitigate compliance risks based on the calculated RPNs including recommending actions to be implemented to reduce the calculated RPNs.

Rather, Fetherston describes a system for assisting an organization to implement and maintain compliance management programs wherein the system includes a master database containing information on the compliance obligations, a slave database containing information and activities (i.e. incidents or accidents) in the organization and assessments of the organization, and report generating means for generating a report on actions required to render the organization compliant with the obligations in the master database. Fetherston does not describe or suggest a method for conducting a compliance risk assessment and mitigation process a recited in Claim 1. For example, Fetherston does not describe or suggest a method for conducting a compliance risk assessment and mitigation process that includes identifying, for

each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes.

In fact, the Office Action acknowledges at page 12 that “not specifically disclosed is the step of identifying failure modes with the causes and effects of the compliance failure modes along with the storing of this data in the database.” Fetherston fails to teach the step of identifying, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes. Moreover, Applicants traverse the assertion that “one of ordinary skill in the art would have been motivated to do what is claimed.” There is no motivation disclosed to identify potential compliance failure modes, causes and effects, current controls in place, and a detection rating. Applicants submit that one of ordinary skill in the art would not have been motivated to identify the current controls in place and the detection rating.

Moreover, Fetherston does not describe or suggest a method for conducting a compliance risk assessment and mitigation process that includes storing the risks, the risk priority, the failure modes, the causes and effects of the failure modes, the current controls in place, and the detection ratings in the database. The Office Action acknowledges that Fetherston does not specifically disclose storing the data in the database. However, the Office Action at page 13 asserts that “one of ordinary skill in the art at the time the invention was made would have been motivated to save all of the compliance data in the database to ensure that there is a transparent audit trail . . .”. Applicants traverse the assertion that one of ordinary skill in the art would have been motivated to save all of the compliance data. There is no motivation to save all of the compliance data. Specifically, there is no motivation to store the current controls in place and the detection rating in the database.

Accordingly, for at least the reasons set forth above, Applicants respectfully submit that Claim 1 is patentable over Fetherston, and Applicants respectfully request that the 35 U.S.C. § 103 rejection of Claim 1 be withdrawn.

Claim 2-25 and 27-30 depend from independent Claim 1 which is submitted to be in condition for allowance. When the recitations of Claims 2-25 and 27-30 are considered in combination with the recitations of Claim 1, Applicants submit that dependent Claims 2-25 and 27-30 are also patentable over Fetherston.

Claim 31 recites a system for identifying and quantifying compliance that includes at least one computer, a database for storing compliance information including at least one questionnaire relating to compliance, compliance requirements for each functional area within a business, and persons responsible for compliance within each functional area within the business, and a server configured to assemble a cross functional team, identify and interview for compliance, compile interview results and summarize the results of the assessment of at least one compliance program, and a network connecting the computer to the server, wherein the server is configured to "display a questionnaire on said computer associated with a person responsible for compliance with at least one functional area within the business, the network is configured to transmit the questionnaire from said server to said computer of the compliance person and is generated using the compliance information stored within the database...receive a response inputted by the compliance person to the displayed questionnaire...process the response to the displayed questionnaire...prioritize compliance risks for the business including identifying compliance risks for each functional area within the business, and prioritizing the compliance risks from high to low based on a severity rating of non-compliance...identify, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, *current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes* . . . store the risks, the risk priority, the failure modes, the causes and effects of the failure modes, the *current controls in place, and the detection ratings* in the database . . . calculate a risk prioritization number (RPN) for each compliance risk identified based on the data stored in the database, wherein the RPN represents a relative compliance risk of a particular failure mode . . . recommend risk monitoring and control mechanisms to mitigate compliance risks based on the calculated RPNs *including recommending actions to be implemented to reduce the calculated RPNs.*" (Emphasis added.)

Claim 31, as herein amended, recites a system for identifying and quantifying compliance that includes a server configured to perform steps essentially similar to those recited in Claim 1. Thus, it is submitted that Claim 31 is patentable over Fetherston for reasons that correspond to those given with respect to Claim 1.

For at least the reasons as set forth above, Applicants respectfully request that the 35 U.S.C. § 103 rejection of Claim 31 be withdrawn.

Claims 32-56 and 58-62 depend from independent Claim 31 which is submitted to be in condition for allowance. When the recitations of Claims 32-56 and 58-62 are considered in combination with the recitations of Claim 31, Applicants submit that dependent Claims 32-56 and 58-62 are also patentable over Fetherston.

Claim 63 recites a computer programmed to “store in a database compliance information including at least one questionnaire relating to compliance, compliance requirements for each functional area within a business, and persons responsible for compliance within each functional area within the business...display a questionnaire for a person responsible for compliance with at least one functional area within the business, the questionnaire is generated using the compliance information stored within the database, displaying the questionnaire includes assembling a cross functional team to conduct the compliance risk assessment ...receive a response inputted by the compliance person to the displayed questionnaire...process the response to the displayed questionnaire...prioritize compliance risks for the business including identifying compliance risks for each functional area within the business, and prioritizing the compliance risks from high to low based on a severity rating of non-compliance... identify, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, *current controls in place, and a detection rating, wherein the detection rating is a value representing whether current controls in place will detect potential compliance failure modes* . . . store the risks, the risk priority, the failure modes, the causes and effects of the failure modes, *the current controls in place, and the detection ratings* in the database . . . calculate a risk prioritization number (RPN) for each compliance risk identified based on the data stored in the database, wherein the RPN represents a relative compliance risk of a particular failure mode . . . recommend risk monitoring and control mechanisms to mitigate compliance risks based on the

calculated RPNs *including recommending actions to be implemented to reduce the calculated RPNs.*" (Emphasis added.)

Claim 63, as herein amended, recites a computer programmed to perform steps essentially similar to the steps recited in Claim 1. Thus, it is submitted that Claim 63 is patentable over Fetherston for reasons that correspond to those given with respect to Claim 1.

For at least the reasons as set forth above, Applicants respectfully request that the 35 U.S.C. § 103 rejection of Claim 63 be withdrawn.

Claims 64-75 depend from independent Claim 63 which is submitted to be in condition for allowance. When the recitations of Claims 64-75 are considered in combination with the recitations of Claim 63, Applicants submit that dependent Claims 64-75 are also patentable over Fetherston.

Claim 76 recites a computer program embodied on a computer readable medium for managing compliance risk assessment to enable businesses to develop broader and deeper coverage of compliance risks, using a network based system including a server system coupled to a centralized database and at least one client system, the computer program includes a code segment that "stores in the database compliance information including at least one questionnaire relating to compliance, compliance requirements for each functional area within a business, and persons responsible for compliance within each functional area within the business...displays a questionnaire on a client system associated with a person responsible for compliance with at least one functional area within the business, the questionnaire is transmitted from the server system to the client system of the compliance person and is generated using the compliance information stored within the database, displaying the questionnaire includes assembling a cross functional team to conduct the compliance risk assessment ...receives a response inputted by the compliance person to the displayed questionnaire...processes the response to the displayed questionnaire at the server...prioritizes compliance risks for the business including identifying compliance risks for each functional area within the business, and prioritizing the compliance risks from high to low based on a severity rating of non-compliance... identifies, for each compliance risk identified, potential compliance failure modes, potential causes and effects of such compliance failure modes, *current controls in place, and a detection rating, wherein the*

detection rating is a value representing whether current controls in place will detect potential compliance failure modes . . . stores the risks, the risk priority, the failure modes, the causes and effects of the failure modes, the current controls in place, and the detection ratings in the database . . . calculates a risk prioritization number (RPN) for each compliance risk identified based on the data stored in the database, wherein the RPN represents a relative compliance risk of a particular failure mode . . . recommends risk monitoring and control mechanisms to mitigate compliance risks based on the calculated RPNs including recommending actions to be implemented to reduce the calculated RPNs.” (Emphasis added.)

Claim 76 recites a computer program embodied on a computer readable medium that includes a code segment programmed to perform steps essentially similar to those recited in Claim 1. Thus, it is submitted that Claim 76 is patentable over Fetherston for reasons that correspond to those given with respect to Claim 1.

For at least the reasons as set forth above, Applicants respectfully request that the 35 U.S.C. § 103 rejection of Claim 76 be withdrawn.

Claims 77-89 depend from independent Claim 76 which is submitted to be in condition for allowance. When the recitations of Claims 77-89 are considered in combination with the recitations of Claim 76, Applicants submit that dependent Claims 77-89 are also patentable over Fetherston.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 1-16, 18-23, 25-45, 47-53, and 55-89 be withdrawn.

In addition to the arguments set forth above, Applicant respectfully submits that the Section 103 rejection of Claims 1-16, 18-23, 25-45, 47-53, and 55-89 is not a proper rejection. Obviousness cannot be established by merely suggesting that it would have been obvious to one of ordinary skill in the art to modify Fetherston. More specifically, as is well established, obviousness cannot be established by combining the teachings of the cited art to produce the claimed invention, absent some teaching, suggestion, or incentive supporting the combinations. It is impermissible to use the claimed invention as an instruction manual or “template” to piece together the teachings of the prior art so that the claimed invention is rendered obvious.

Specifically, one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Further, it is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.

For at least the reasons set forth above, Applicants respectfully request that the Section 103 rejection of Claims 1-16, 18-23, 25-45, 47-53, and 55-89 be withdrawn.

New Claim 119 is a dependent claim depending from independent Claim 1. For the same reasons Claim 1 is allowable, so is new Claim 119.

New Claim 120 is a dependent claim depending from independent Claim 31. For the same reasons Claim 31 is allowable, so is new Claim 120.

New Claim 121 is a dependent claim depending from independent Claim 63. For the same reasons Claim 63 is allowable, so is new Claim 121.

New Claim 122 is a dependent claim depending from independent Claim 76. For the same reasons Claim 76 is allowable, so is new Claim 122.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,



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